

ECONOMIC HIGHLIGHTS – MARCH 2006 (PART 2)

1. T&T to host 2009 Summit of Americas
2. New charges in Piarco scandal
3. Central Bank raises repo rate again
4. Government wants to reduce imports of foreign used cars

1. T&T to host 2009 Summit of Americas

According to a statement from the Ministry of Foreign Affairs (MFA), T&T will host the Fifth Summit of the Heads of State and Government of the Americas (SOA) in 2009. Despite earlier interest shown by the Government of Colombia (GOC) in hosting the event in Medellin, GOC agreed to withdraw its bid. Last November at the Fourth SOA in Argentina, Prime Minister Patrick Manning and Colombian President Alvaro Uribe Velez offered their countries as hosts of the next SOA. However, Foreign Affairs Minister Knowlson Gift learned from his Colombian counterpart, Minister Carolina Barco Isakson that Colombia decided to defer to Trinidad and Tobago.

2. New charges in Piarco Airport scandal

Sixty-six new charges have been brought against those involved in the New Piarco Airport Development Project, according to a recently unsealed upgraded indictment in Florida. This brings the total to 84 criminal charges. The indictment also seeks US\$33.5 million in restitution. The charges brought against eight businessmen and two companies stem from fraudulently obtained overpriced contracts. This new indictment supersedes the one of November 29, 2005 and also lays out evidence of transactions of the millions of dollars that were to be split among those involved in the bid manipulation.

3. Central Bank raise Repo rate again

Effective March 28, Central Bank of Trinidad and Tobago raised the Repo rate from 6.5 percent to 6.75 percent. According to the Central Statistical Office (CSO), year-to-year headline inflation was 6.5 percent as of February 2006. Core inflation was 2.5 percent.

4. Government wants to reduce imports of foreign used cars

The Minister of Works and Transport recently commented on the high number of foreign used cars, almost exclusively imported from Japan, in T&T that has contributed to severe congestion on TT roads. Proposals include reducing the age limit on foreign used cars that can be imported. Reaction was swift from at least one interest group. According to the Automotive Dealers Association, reducing the high VAT and customs duties on new cars would do more to reduce the amount of foreign used cars on the road since it would make new cars more price competitive relative to foreign used cars.